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BC Stats

Infoline

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- **BC manufacturers positive about production prospects for third quarter**
- **Retail sales jump 1.7% in May, sixth straight month of increases**
- **Expenditures on public elementary and secondary education up 0.9% in 2002/2003**

The Economy

- **BC manufacturers remain generally positive about production prospects in the third quarter of 2007 despite increased pressures from the soaring Canadian dollar and concerns about a shortage of skilled and unskilled labour.** Amongst manufacturers surveyed in BC, 28% *(seasonally adjusted)* said that they expected to increase production and 12% indicated that production would be reduced, yielding a balance of opinion of +16, up 2 points from the previous quarter.

  Those stating that the level of new orders is expected to rise slipped 3 points to 25% while the proportion reporting that new orders would decrease was 16%, leaving the balance of opinion at +9 points, down 1 point.

  BC manufacturers were also less optimistic about unfilled orders. While three-quarters reported that the backlog of unfilled orders is expected to be about right, 12% of manufacturers indicated a higher-than-normal backlog and 13% believed it would be lower than normal.

  Those surveyed expressed less concern about finished-product inventories with 80% reporting they would be about right, 11% predicting they would be too high and 9% stating that they would be too low. This was an improvement over the second quarter, when nearly a quarter of manufacturers thought inventory levels would be too high.

  Sixty-six percent expected that employment prospects would be unchanged, 22% indicated that they would increase their workforce and 11% expected to reduce employment.

  The proportion of respondents that reported production impediments increased 3 percentage points to 54% this quarter with one-third of manufacturers reporting that a shortage of skilled and unskilled labour was expected to be a significant source of production difficulties in the third quarter. This is very different from the national picture, where only 15% believed that a shortage of skilled and unskilled labour would impede production.

  Data source: Statistics Canada

- **Retail sales surged 1.7% (*seasonally adjusted*) in May to an estimated value of $4.8 billion, the sixth straight month of increases.** Gains were made in most retail sectors, with the exception of food stores. Retailers of new cars and computer & software products also had a slow month. Significant growth was seen in the clothing & accessories sector, which bounced back after slumping in April. Sales at gasoline stations were up for the third consecutive month.

  Nationally, growth in sales was strongest in Quebec (+4.9%) where the recent payout of a pay equity settlement to public servants in that province put more dollars in the pockets of consumers. Retail sales in Canada as a whole were up 2.8%.

  Data Source: Statistics Canada & BC Stats

- **Average weekly earnings of payroll employees in BC decreased $5.58 to $750.11 (*seasonally adjusted*) in May.** Average earnings in BC are the third highest in Canada after Ontario and Alberta.

  Nationally, the average weekly earning was $766.32, up $1.47 from the previous month. For the first five months of 2007, average weekly earnings grew the most in manufacturing (+3.5%). Health & social assistance (+2.9%) and educational services (+0.4%) also experienced growth in earnings amongst payroll employees, but they fell (-0.6%) in the retail trade sector.

  Data Source: SC 72-002-XIB

Report Tourism in the GVRD, 2006

Did you know...

An estimated 2.8 million tonnes of hay was harvested from 6.8 million hectares in Canada in 2006, making hay the second largest crop in the nation after wheat.

- **The number of British Columbians receiving regular Employment Insurance benefits fell 0.5% to 36,800 (*seasonally adjusted*) in May.** This number has fallen 11.5% since May 2006.

  Nationally, declines in the number of recipients were seen primarily in Quebec (-2.3%) and Ontario (-2.2%) while the biggest increase occurred in Saskatchewan and Prince Edward Island. Since January 2007, payments to claimants of Employment Insurance have totalled $6.9 billion.

  Data Source: Statistics Canada

Market Shares

- **Sales of hardware, lawn and garden products, including lumber and other building materials grew 10% to $27.3 billion, making this Canada's fastest growing commodity group in terms of sales.** Market share for goods produced in the hardware, lawn and garden sector grew among building and outdoor home supply retailers, from 72% in 1998 to 75% in 2006. A small decrease in market share of one-tenth of a percentage point occurred between 2005 and 2006, accounting for a loss of $27 million in sales. General merchandise retailers were the biggest losers and saw their market share in this sector drop from 16% in 1998 to 15% in 2006.

  While food stores dominate sales of food and beverages, their market share fell nearly 1% between 2005 and 2006 which is about the amount of total market share lost between 1998 and 2005. General merchandisers, on the other hand, have seen their market share of food and beverage sales increase from 7% in 1998 to 10% in 2006.

  Data source: Statistics Canada

Health

- **Using data between 1981 and 2000, a recent study has found that high birth weight is much more prevalent among First Nations than among non-First Nations in BC.** It is believed that changing lifestyles and other environmental factors along with an increased risk of diabetes and diabetic complications among First Nations mothers may account for the high birth weight observed.

  Data Source: BC Vital Statistics Agency

- **The number of underweight babies (those born weighing less than 2.5 kilograms) born in Canada has risen from 5.7% of births in 2001-2002 to 6.2% of births in 2005-2006.** This means that one in every 16 babies born is considered to be underweight.

  Also revealed was that the number of births by Caesarean section has increased across the country from 23% in 2001/2002 to 26% in 2005/2006. The highest rate for delivery by Caesarean section was shared by Newfoundland and Labrador and British Columbia at 30%. In South Vancouver Island, a rate of delivery by Caesarean section was observed to be 37%, the highest of all regions in Canada. *Data Source: Canadian Institute for Health Information*

Domestic Travel

- **Domestic visits made by Canadian travellers increased 2% in the first quarter of 2006 over the same period in 2005 based on preliminary data.** The number of domestic visits recorded in the first quarter of 2006 reached 42.5 million where 86% of these visits were for pleasure purposes with slightly more than 9 out of every 10 visits taken within the traveller's province of residence. Canadians spent an estimated $5.9 billion during their domestic travels, over half of this being spent on transportation ($1.9 billion) and food and beverage ($1.7 billion). Canadians spent an average of three nights away from home for a total of 41.0 million nights; 11.8 million of those were spent in a commercial accommodation establishment. *Data Source: Statistics Canada*

Education

- **Expenditures on public elementary and secondary education in BC were up 0.9% to $5.1 billion during the 2002/2003 school year.** This is a 16% increase in spending on public elementary and secondary education since 1997/1998. Private school expenditures in the province rose 5.5% during the 2002/2003 school year, an increase of 24% since 1997/1998. *Data Source: Statistics Canada*

Infoline *Issue: 07-30*
July *27, 2007*

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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Tourism in the Greater Vancouver Regional District, 2006

Introduction

Greater Vancouver Regional District (GVRD) is the most populated regional district in BC. There are many world-class travel destinations in the region, such as City of Vancouver, North Vancouver, Burnaby, and Richmond. There are also a number of smaller communities that have a significant tourism sector including Maple Ridge, White Rock and Delta.

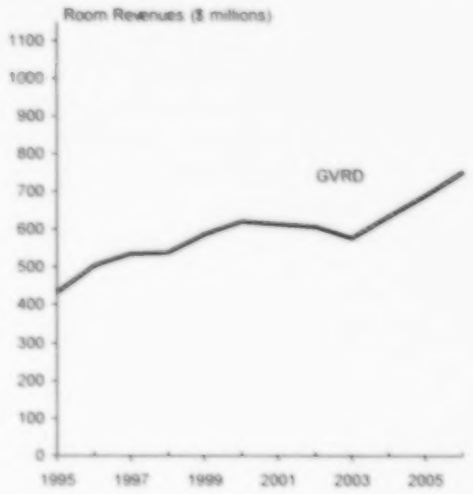
The GVRD boasts one of the mildest climates in Canada. Its proximity to the world class skiing resort, Whistler, means that visitors can enjoy a multitude of winter and summer activities, and luxurious accommodations. With popular tourist attractions such as Minter Gardens, the Vancouver Aquarium, and the Capilano Suspension Bridge, the GVRD offers visitors a variety of activities such as hiking, fishing and nature exploring in summer, and skiing and snowmobiling in winter.

The GVRD has 21 member municipalities, and has a long history dating back to the European settlement in early 1800's. The district is surrounded by scenic coastal mountains, blessed with spectacular harbours and lush city parks, and it is also characterized with unique historic heritage attractions, a growing cultural scene and countless recreational activities to suit every budget. With the City of Vancouver being the host city of the 2010 Olympics, the GVRD is certainly expecting to attract more visitors from all over the world in the years ahead.

Room Revenues in 2006

Greater Vancouver Regional District ranks first among regional districts in BC in terms of room revenues. In 2006, the region contributed over $750 million in room revenues, reaching its historic high since 1995. Revenues in the GVRD make up about 76% of the Mainland/Southwest regional total and 41% of the provincial total.

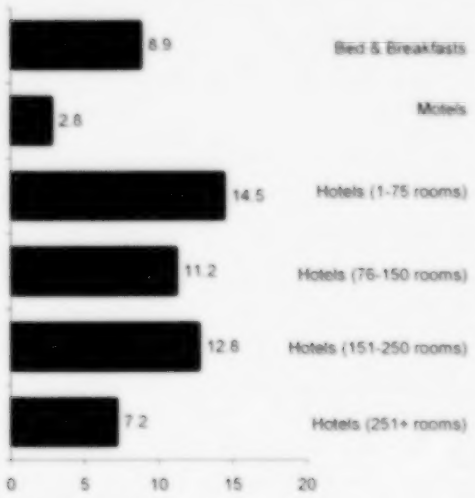
Room Revenues in GVRD reached $750 million in 2006



Source: BC Stats

Room revenues in the GVRD increased persistently between 1995 and 2000 (+43.9%), but began to decline in the next three years due to events such as 9/11, the SARS outbreak, and the subsequent Iraq war. A quick recovery followed in 2004 (+10.2%). By 2006, revenues in the GVRD grew 73.5% (relative to 1995), compared to Mainland/Southwest (+81.7%), and BC total (+82.3%).

Most accommodation establishments experienced revenue growth

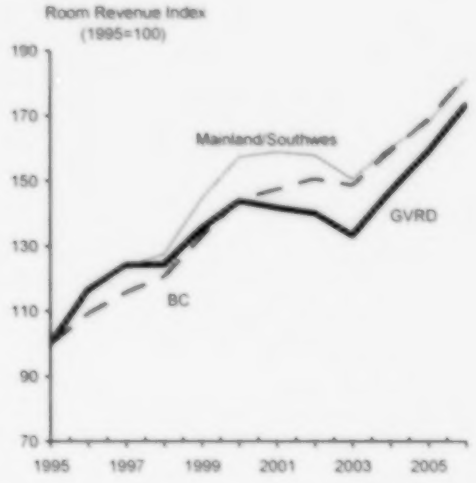


Source: BC Stats

Room revenues at all types of establishments in the GVRD posted robust growth (+9.0%) in 2006, with particularly strong increases at hotels (+9.6%). Most very large hotels with more than 250 rooms (+7.2%) and large hotels (151-250 rooms; +12.8%) in BC are located in the GVRD. They are the largest contributor of room revenues in the region, accounting for about 52% of total room receipts in Mainland/Southwest, and 38% of provincial room revenues. Mid-sized (76-150 rooms; +11.2%) and small hotels (1-75 rooms; +14.5) also posted double-digit revenue growth.

Other accommodation establishments also experienced room revenue growth in 2006. Revenues increased at both bed and breakfasts (+8.9%) and motels (+2.8%). Business was also up at saltwater fishing lodges (+7.6%) and other miscellaneous accommodation establishments (+10.9%), which provide visitors with different accommodation choices to suit their individual interest and budget. However, revenues at freshwater lodges (-47.6%) and vacation rentals (-17.5%) slumped in 2006.

GVRD growing faster than the BC average since 2004



Source: BC Stats

The GVRD (+9.0%) outperformed the Mainland/Southwest region (+8.1%) and BC (+7.8%) as a whole in revenue growth in 2006. With the 2010 Olympic Games attracting more tourism activities, it is becoming a more important source of revenue growth in the region and in the province.

Transportation

The GVRD is well serviced to accommodate guests wishing to travel through the region by road, sea or air. Transportation in Vancouver has many of the features of most modern cities worldwide and some interesting differences. As the region is surrounded by water on three sides, it has several bridges to the north and south. Like most modern cities, automobile is the most common method of travel. The GVRD also provides alternatives, such as the longest automated light rail system in the world, well-scheduled city and sea bus lines, and an extensive network of bicycle routes.

Vancouver International Airport is Canada's second biggest airport, which is lo-

cated on an island between Richmond & Vancouver. It welcomed nearly 17 million travellers from all over the world into BC in 2006, 3.1% more than it did 2005. Among the travellers arriving at Vancouver International Airport, a little over half are domestic visitors, increasing 4.4% in volume in 2006. Other visitor sources include the US (+3.7%) and international travellers (-0.1%). In addition, convenient ferry services allow the GVRD to be a popular spot for travellers from Vancouver Island, other neighbouring islands and cruise-ships.

The City of Vancouver

The City of Vancouver is the host of the 2010 Olympic and Paralympic Winter Games. Surrounded by spectacular natural beauty, the City of Vancouver is recognized as one of the world's most liveable cities, renowned for its leaderships in the areas of sustainability, openness and inclusivity.

Surrounded by water on three sides and overlooked by the Coast Range mountains that rise abruptly to more than 1,500 m, Vancouver is located in the central west of GVRD.

The City of Vancouver is an important source of revenue growth for the GVRD, accounting for more than 68% of total room receipts in the region. In 2006, a significant 7.1% was recorded in the City of Vancouver. Most of the increases originated in hotels, especially very large hotels. About half of the very large hotels with over 250 rooms in BC were situated in downtown Vancouver, which contributed over $369 million in room revenue in 2006, 7.5% more than in 2005. With the 2010 Olympics on horizon, the City of Vancouver is also raising the bar at its hotels, such as the multimillion-dollar expansion and renovation of the Pan Pacific Hotel, and other hotel development projects preparing for the event.

Conclusion

The spectacular natural beauty, easily accessible locations, numerous national attractions and convenient transportation, have put room revenues in the GVRD on a rapid growing trend since 2003. A few communities have experienced a recent surge of interest. The City of Richmond, for example, has grown a significant 35.9% in room revenues between 2003 and 2006, sharing 17% of the total regional revenue growth. The City of Burnaby has seen a 14.0% increase in overall room revenues during the period. Other smaller municipalities and communities, such as the City of North Vancouver, New Westminster and Surrey, are also booming. With communities like these within the region growing and developing, the GVRD is likely to experience more prosperity in its tourism sector in the future.

Infoline

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fax transmission information service from BC Stats

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - May	3,500	-2.2
Merchandise Exports - May	2,807	-6.2
Retail Sales - May	4,752	1.7
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jun 2007)		
BC	1.5	1.8
Vancouver	1.9	2.2
Victoria	0.8	1.4
Canada	2.2	1.8
LABOUR FORCE (thousands)	Jun '07	% change on prev. month
(seasonally adjusted)		
Labour Force - BC	2,365	0.1
Employed - BC	2,260	-0.1
Unemployed - BC	105	5.9
		May '07
Unemployment Rate - BC *(percent)*	4.4	4.2
Unemployment Rate - Canada *(percent)*	6.1	6.1
INTEREST RATES (percent)	Jul 25/07	Jul 26/06
Prime Business Rate	6.26	6.00
Conventional Mortgages - 1 year	7.05	6.60
- 5 year	7.24	6.95
US/CANADA EXCHANGE RATE	Jul 25/07	Jul 26/06
(avg. noon spot rate) Cdn $	1.0425	1.1378
US $ *(reciprocal of the closing rate)*	0.9609	0.8811
AVERAGE WEEKLY WAGE RATE	Jun '07	% change on one year ago
(industrial aggregate - dollars)		
BC	740.27	2.4
Canada	749.92	3.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

High Technology Sector – 2006

The high technology sector is a growing part of British Columbia's diverse economy, offering the prospect of strong economic growth in the years to come, as well as a local source of technology inputs to the province's resource-based industries.

Our latest *Profile* and *Input Indicators* reports are now available.

www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC Stats

- Business Indicators, July 2007
- Current Statistics, July 2007

Next week

- Tourism Sector Monitor, July 2007

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